



General Assembly

February Session, 2006

Raised Bill No. 462

LCO No. 2183

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Referred to Committee on Labor and Public Employees

Introduced by:
(LAB)

AN ACT CONCERNING A FAIR SHARE HEALTH CARE SURCHARGE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2006*) As used in sections 1 to 3,
2 inclusive, of this act:

3 (1) "Covered employer" means an employer that employs five
4 thousand or more employees and whose primary business operation is
5 as a retailer; and

6 (2) "Employer" means an employer that is subject to chapter 567 of
7 the general statutes, excluding the state, any political subdivision of
8 the state or any quasi-public agency, and includes a franchisor with
9 franchisees that employ collectively five thousand or more employees
10 in the state.

11 Sec. 2. (NEW) (*Effective October 1, 2006*) (a) On and after January 1,
12 2007, and annually thereafter, all covered employers shall pay a Fair
13 Share Health Care Surcharge to the Labor Commissioner in an amount
14 equal to two dollars and fifty cents, indexed annually to the medical
15 care component of the consumer price index for all urban consumers,

16 multiplied by the total number of hours worked by each employee
17 during any year for which the surcharge applies, to a maximum of
18 forty hours per week worked for each employee.

19 (b) Each covered employer providing health benefits to its
20 employees or making payments to employees in lieu of health benefits
21 declined by such employees shall receive a credit against the entirety
22 of the surcharge due under subsection (a) of this section. The amount
23 of such credit shall be the employer's cost to provide "medical care" as
24 defined in Section 213(d) of the Internal Revenue Code of 1986, or any
25 subsequent corresponding internal revenue code of the United States,
26 as from time to time amended.

27 (c) Each covered employer shall pay the Fair Share Health Care
28 Surcharge, reduced by any credit allowable under subsection (b) of this
29 section, to the Labor Commissioner not later than thirty days after the
30 end of each calendar year, or the end of any other period as
31 determined by said commissioner, for which said surcharge is due. All
32 amounts collected under this section shall be deposited into the
33 account established in subsection (d) of this section.

34 (d) There is established, within the General Fund, a separate and
35 nonlapsing account to be known as the "fair share health care account".
36 Said account shall contain any moneys required by law to be deposited
37 in the account. Investment earnings credited to the assets of the
38 account shall become part of the assets of the account. Any balance
39 remaining in the account at the end of any fiscal year shall be carried
40 forward for the fiscal year next succeeding. The moneys in said
41 account shall be used to defray the costs to the state of providing
42 health care coverage under the HUSKY Plans to employees of covered
43 employers. Any funds in excess of those needed for such purpose shall
44 be used to defray additional state expenses for covering uninsured or
45 underinsured patients.

46 (e) Any covered employer that fails to pay the Fair Share Health
47 Care Surcharge, reduced by any credit allowable under subsection (b)

48 of this section, shall be liable for interest on such amount computed at
49 the rate of one and one-fourth per cent per month or fraction thereof
50 from the date when said surcharge became due and payable.

51 (f) No employer may deduct any amount paid under this section
52 from the wages of any employee.

53 (g) Any new employer or existing employer that previously was not
54 subject to the provisions of subsection (a) of this section shall, not later
55 than one month after the date it becomes a covered employer subject to
56 said subsection (a), begin complying with the provisions of said
57 subsection (a).

58 (h) Any existing employer previously subject to the provisions of
59 subsection (a) of this section, but no longer subject to said subsection
60 (a), shall notify the Labor Commissioner, in a manner prescribed by
61 said commissioner, not later than fifteen days after such change before
62 discontinuing compliance with the provisions of said subsection (a).

63 Sec. 3. (NEW) (*Effective October 1, 2006*) Each covered employer shall
64 keep, in accordance with regulations adopted by the Labor
65 Commissioner, at the place of employment for a period of three years a
66 true and accurate record of the health insurance benefits provided by
67 the employer to its employees during such period, including records
68 showing the cost to the employer of providing such benefits, and of
69 amounts paid by the employer to employees in lieu of health insurance
70 benefits declined by such employees, and shall furnish to the
71 commissioner or an authorized representative, upon demand, a sworn
72 statement of the same. If the place of employment is designed
73 primarily as an establishment for the housing and use of coin-operated
74 service or vending machines, such records may be kept by the
75 employer in some location approved by the commissioner other than
76 at the place of employment. Notwithstanding the provisions of this
77 section, no employer shall be required to disclose individually
78 identifiable health information about any employee or any other
79 information in violation of the federal Health Insurance Portability and

80 Accountability Act, as amended from time to time, or of the provisions
81 of 45 CFR Parts 160 and 164, as amended from time to time.

82 Sec. 4. (NEW) (*Effective October 1, 2006*) The Labor Commissioner
83 shall adopt regulations, in accordance with the provisions of chapter
84 54 of the general statutes, to carry out the purposes of sections 1 to 3,
85 inclusive, of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2006</i>	New section
Sec. 2	<i>October 1, 2006</i>	New section
Sec. 3	<i>October 1, 2006</i>	New section
Sec. 4	<i>October 1, 2006</i>	New section

Statement of Purpose:

To establish a Fair Share Health Care Surcharge to defray the costs to the state of providing health care coverage to employed individuals.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]